THE MEDIATING EFFECT OF ORGANIZATIONAL CLIMATE ON THE RELATIONSHIP BETWEEN HRM PRACTICES AND HR OUTCOMES IN THE LIBYAN PUBLIC SECTOR

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By

FATHI MOHAMED ABDULJLIL AL DAMOE

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Othman Yeop Abdullah Graduate School of Business,
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in Fulfillment of the Requirement for the Degree of Doctor of Philosophy
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ABSTRACT

Due to the lack of clarity between the Human Resource Management (HRM) practices and Human Resource (HR) outcomes, this study investigates the mediating role of organizational climate on the relationship between HRM practices (selection and recruitment, training and development, compensation and rewards, performance appraisal and HR planning) and HR outcomes in the public sector in Libya. A cross-sectional study using questionnaire survey was conducted, whereby the questionnaires were distributed through self-administered procedure. Questionnaire data were generated from 176 respondents comprising HRM managers in the Libyan public sector. The results from the hypothesis testing indicate, among others, that overall, there is a significant relationship between HRM practices and HR outcomes. Further findings show that organizational climate significantly and fully mediates the relationship between performance appraisal, compensation and rewards and HR planning and HR outcomes, but not the relationship between training and development and recruitment and selection and HR outcomes. Based on the findings, it can be concluded that HRM practices, such as selection and recruitment, training and development, compensation and rewards, performance appraisal and HR planning are significant and important factors that determine HR outcomes in an organization. Therefore, the study recommends that HRM practitioners and policy makers, should pay more attention to HRM practices in order to effectively improve HR outcomes in the organization. The study provides additional insight on the organizational climate from the Libyan perspective. Additionally, the study highlights the theoretical and practical implications with the limitations of the study and suggestions for future study also being included.

Keywords: HRM practices, employee relations, performance appraisal, human resource outcomes, organizational climate
ABSTRAK

Disebabkan hubungan Amalan Pengurusan Sumber Manusia dan Hasil Sumber Manusia kurang jelas, kajian ini menyemak peranan perantara iaitu iklim organisasi pada hubungan antara amalan Pengurusan Sumber Manusia (pemilihan dan pengambilan pekerja, latihan dan pembangunan, pampasan dan ganjaran, penilaian prestasi dan perancangan sumber manusia) dan Hasil Sumber Manusia dalam sektor awam di Libya. Satu kajian rentas yang menggunakan kajian soal selidik telah dijalankan, di mana soal selidik telah diedarkan melalui prosedur tadbir sendiri. Data dari soal selidik tersebut dapat dijanakan daripada 176 responden yang terdiri daripada pengurus sumber manusia di sektor awam Libya. Keputusan daripada ujian hipotesis menunjukkan, antara lain, bahawa secara keseluruhan, terdapat hubungan yang signifikan antara Amalan Pengurusan Sumber Manusia dan hasil Sumber Manusia. Penemuan selanjutnya menunjukkan bahawa iklim organisasi secara signifikan dan sepenuhnya menjadi perantara hubungan antara penilaian prestasi, pampasan dan ganjaran dan perancangan sumber manusia dan hasil sumber manusia, tetapi bukan untuk hubungan antara latihan dan pembangunan dan pengambilan dan pemilihan dan hasil sumber manusia. Berdasarkan hasil kajian, dapat disimpulkan bahawa Amalan Pengurusan Sumber Manusia, seperti pemilihan dan pengambilan pekerja, latihan dan pembangunan, pampasan dan ganjaran, penilaian prestasi dan perancangan sumber manusia adalah faktor yang signifikan dan penting yang menentukan hasil sumber manusia dalam sebuah organisasi. Oleh itu, kajian ini mencadangkan supaya pengamal Pengurusan Sumber Manusia dan pembuat dasar, perlu memberi perhatian yang lebih kepada Amalan Pengurusan Sumber Manusia untuk meningkatkan hasil sumber manusia dalam organisasi dengan berkesan. Kajian ini juga menyediakan penerangan tambahan ke atas iklim organisasi dari perspektif Libya. Selain itu, kajian ini mengetengahkan implikasi teori dan praktikal serta limitasi kajian. Cadangan untuk kajian masa hadapan juga dimasukkan.

Kata kunci: amalan pengurusan sumber manusia, perhubungan pekerja, penilaian prestasi, hasil sumber manusia, iklim organisasi
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**TABLE OF CONTENTS**

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>TITLE PAGE</td>
<td>i</td>
</tr>
<tr>
<td>CERTIFICATION OF THESES WORK</td>
<td>ii</td>
</tr>
<tr>
<td>PERMISSION TO USE</td>
<td>iv</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>v</td>
</tr>
<tr>
<td>ABSTRAK</td>
<td>vi</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENT</td>
<td>vii</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>viii</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>xv</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>xvi</td>
</tr>
<tr>
<td>LIST OF APPENDICES</td>
<td>xix</td>
</tr>
<tr>
<td>LIST ABBREVIATIONS</td>
<td>xx</td>
</tr>
</tbody>
</table>

**CHAPTER ONE: INTRODUCTION**

1.1 Background of the Study                  1  
1.2 Problem Statement                        8  
1.3 Research Questions                       13  
1.4 Objectives of the Study                 14  
1.5 Significance of the Study               14  
1.5.1 Theoretical Contribution              16  
1.5.2 Managerial Contribution               18  
1.6 Scope of the Study                      19  
1.7 Definitions of Key Terms                19  

viii
1.7.1 Human Resources Management (HRM) Practices
  1.7.1.1 Recruiting and Selecting
  1.7.1.2 Performance Appraisal
  1.7.1.3 Compensation and Rewards
  1.7.1.4 Training and Development
  1.7.1.5 Human Resource Planning
1.7.2 Organizational Climate
1.7.3 Employees’ Satisfaction
1.7.4 Employees’ Relations
1.7.5 Employees’ Retention
1.8 Public Sector
1.9 Organization of the Study

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction
2.2 Human Resources Management (HRM) Practices
  2.2.1 Human Resource HR Planning
  2.2.2 Recruiting and Selecting
  2.2.3 Training and Development
  2.2.4 Performance Appraisal
  2.2.5 Compensation and Reward
2.3 Human Resources Outcomes
  2.3.1 Employees’ Satisfaction
  2.3.2 Employees’ Relations
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3.3 Employees’ Retention</td>
<td>60</td>
</tr>
<tr>
<td>2.4 Organizational Climate</td>
<td>62</td>
</tr>
<tr>
<td>2.4.1 Gaps in the Literature</td>
<td>68</td>
</tr>
<tr>
<td>2.5 Theories of Human Resource Management (HRM) Practices</td>
<td>72</td>
</tr>
<tr>
<td>2.5.1 Human Capital Theory</td>
<td>73</td>
</tr>
<tr>
<td>2.5.2 Affective Events Theory</td>
<td>75</td>
</tr>
<tr>
<td>2.5.3 Contingency theory</td>
<td>76</td>
</tr>
<tr>
<td>2.6 Existing Studies on the Link Between HRM Practices and HR Outcomes</td>
<td>79</td>
</tr>
<tr>
<td>2.7 Research Framework</td>
<td>84</td>
</tr>
<tr>
<td>2.8 Summary</td>
<td>92</td>
</tr>
</tbody>
</table>

**CHAPTER THREE: RESEARCH METHODOLOGY**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Introduction</td>
<td>93</td>
</tr>
<tr>
<td>3.2 Design of the Study</td>
<td>93</td>
</tr>
<tr>
<td>3.3 Development of Hypotheses</td>
<td>95</td>
</tr>
<tr>
<td>3.3.1 Human Resource Planning</td>
<td>95</td>
</tr>
<tr>
<td>3.3.2 Recruitments and Selections</td>
<td>96</td>
</tr>
<tr>
<td>3.3.3 Compensation and Rewards</td>
<td>97</td>
</tr>
<tr>
<td>3.3.4 Training and Development</td>
<td>98</td>
</tr>
<tr>
<td>3.3.5 Performance Appraisal</td>
<td>98</td>
</tr>
<tr>
<td>3.4 Population and Sample</td>
<td>101</td>
</tr>
<tr>
<td>3.4.1 Sampling Procedures</td>
<td>102</td>
</tr>
<tr>
<td>3.5 Measurement of Variables</td>
<td>104</td>
</tr>
<tr>
<td>3.6 Methods of Data Collection</td>
<td>107</td>
</tr>
</tbody>
</table>
3.7 Questionnaire Development 108

3.7.1 Human Resources / Personnel Department Structure 109

3.7.2 Human Resources Management (HRM) Practices 109

3.7.3 Organizational Climate 109

3.7.4 HR Outcomes 110

3.8 The Pilot Test 111

3.9 Reliability Test 112

3.10 Validity Test 113

3.11 Techniques of Data Analysis 114

3.11.1 Factor Analysis and Reliability Analysis 114

3.11.2 Descriptive Statistics 115

3.11.3 Correlations 115

3.11.4 Multiple Regression Analysis 115

3.12 Research Design 116

3.13 Summary 118

CHAPTER FOUR: RESEARCH FINDINGS 119

4.1 Introduction 119

4.2 Response Rate 119

4.3 Data Screening 120

4.3.1 Basic Assumptions for Statistical Analysis 121

4.3.2 Treatment of Outliers 122

4.3.3 The Goodness of Data 123

4.3.3.1 Content Validity 123
4.3.3.2 Construct Validity 124
4.3.3.3 Criterion Validity 124
4.3.4 Test Normality 125
4.3.5 Test of Multicollinearity 126
4.3.6 Testing of Linearity 128
4.3.7 Treatment of Homoscedasticity (Levene Test) 130
4.4 Respondents’ Profile 132
4.4.1 Descriptive Statistics for All Variables 135
4.5 Common Method Bias 136
4.6 Factor Analysis 137
4.6.1 Factor Analysis Results HRM Practices 138
4.6.2 Factor Analysis Result for Organizational Climate 142
4.6.3 Factor Analysis Result of HR Outcomes 145
4.7 Reliability 147
4.7.1 Restatement of the Hypotheses 148
4.8 Correlation Analysis Result 154
4.9 Testing for the Hypothesis 159
4.10 Multiple Regression Analysis Result 160
4.10.1 HRM Practices and Employees’ Satisfaction 161
4.10.2 HRM Practices and Employees’ Relation 163
4.10.3 HRM Practices and Employees’ Retention 165
4.10.4 HRM Practices and Employees’ Attractiveness 167
4.11 Summary 174
### CHPTER FIVE: DISCUSSION AND CONCLUSION

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Introduction</td>
<td>175</td>
</tr>
<tr>
<td>5.1.1 Discussion of the Hypothesis Results and Findings</td>
<td>175</td>
</tr>
<tr>
<td>5.2 Direct Relationships</td>
<td>175</td>
</tr>
<tr>
<td>5.2.1 HRM Practices and HR Outcomes</td>
<td>175</td>
</tr>
<tr>
<td>5.2.1.1 HRM Practices and Employees’ Satisfaction</td>
<td>176</td>
</tr>
<tr>
<td>5.2.1.2 HRM Practices and Employees’ Relation</td>
<td>178</td>
</tr>
<tr>
<td>5.2.1.3 HRM Practices and Employees’ Retention</td>
<td>179</td>
</tr>
<tr>
<td>5.2.1.4 HRM Practices and Employees’ Attractiveness</td>
<td>180</td>
</tr>
<tr>
<td>5.3 HRM Practices and Organizational Climate</td>
<td>182</td>
</tr>
<tr>
<td>5.4 Organizational Climate and HR Outcomes</td>
<td>183</td>
</tr>
<tr>
<td>5.5 Indirect Relationship: The Mediating Relationship</td>
<td>184</td>
</tr>
<tr>
<td>5.5.1 HRM practices and Employees’ Satisfaction: Mediating Role of Organizational Climate</td>
<td>184</td>
</tr>
<tr>
<td>5.5.2 HRM Practice and Employees’ Relation: Mediating Role of Organizational Climate</td>
<td>186</td>
</tr>
<tr>
<td>5.5.3 HRM Practice and Employees’ Retention: Mediating Role of Organizational Climate</td>
<td>187</td>
</tr>
<tr>
<td>5.5.4 HRM Practice and Employees’ Attractiveness: Mediating Role of Organizational Climate</td>
<td>188</td>
</tr>
<tr>
<td>5.6 Implications of the Study</td>
<td>190</td>
</tr>
<tr>
<td>5.6.1 Theoretical Implication</td>
<td>190</td>
</tr>
<tr>
<td>5.6.2 Practical Implications</td>
<td>192</td>
</tr>
<tr>
<td>5.7 Limitation and Recommendation for Future Study</td>
<td>194</td>
</tr>
<tr>
<td>5.8 Conclusion</td>
<td>195</td>
</tr>
</tbody>
</table>
# LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 2.1</td>
<td>Summary of Previous Approaches to Indirect HRM Practices-Performance Link</td>
<td>86</td>
</tr>
<tr>
<td>Table 2.2</td>
<td>Summary of Previous Approaches to HRM Practices-performance link</td>
<td>89</td>
</tr>
<tr>
<td>Table 3.1</td>
<td>Sampling Method Selection Sectors Ministry</td>
<td>103</td>
</tr>
<tr>
<td>Table 3.2</td>
<td>Constructs of the Study and Adopted Resources</td>
<td>106</td>
</tr>
<tr>
<td>Table 3.3</td>
<td>Reliability Scores all Variable Results Pilot Test</td>
<td>113</td>
</tr>
<tr>
<td>Table 4.1</td>
<td>Summary of the Questionnaires and the Response Rate</td>
<td>120</td>
</tr>
<tr>
<td>Table 4.2</td>
<td>Statistics Demographic Profile of Respondents</td>
<td>121</td>
</tr>
<tr>
<td>Table 4.3</td>
<td>Result of Multicollinearity Test</td>
<td>127</td>
</tr>
<tr>
<td>Table 4.4</td>
<td>Result of the Test of non Respondent Bias</td>
<td>131</td>
</tr>
<tr>
<td>Table 4.5</td>
<td>Descriptive Statistics of Respondents</td>
<td>132</td>
</tr>
<tr>
<td>Table 4.6</td>
<td>Descriptive Analysis for the Demographic</td>
<td>134</td>
</tr>
<tr>
<td>Table 4.7</td>
<td>Descriptive Statistics for all Variables</td>
<td>136</td>
</tr>
<tr>
<td>Table 4.8</td>
<td>The Relationship Between Sample Size and Factor Loading Values</td>
<td>138</td>
</tr>
<tr>
<td>Table 4.9</td>
<td>Factor Analysis Result for HRM Practices</td>
<td>140</td>
</tr>
<tr>
<td>Table 4.10</td>
<td>Factor Analysis Result for Organizational Climate</td>
<td>143</td>
</tr>
<tr>
<td>Table</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>--------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>Table 4.11</td>
<td>Factor Analysis Result of HR Outcomes</td>
<td>146</td>
</tr>
<tr>
<td>Table 4.12</td>
<td>Construct Reliability Score all Variables</td>
<td>148</td>
</tr>
<tr>
<td>Table 4.13</td>
<td>Correlation Analysis Result</td>
<td>155</td>
</tr>
<tr>
<td>Table 4.14</td>
<td>Cohen's Guideline of Correlation Strength</td>
<td>156</td>
</tr>
<tr>
<td>Table 4.15</td>
<td>Summary of Correlations Between Independent and Dependent Variables</td>
<td>157</td>
</tr>
<tr>
<td>Table 4.16</td>
<td>Regression Results of the Relationship Between: HRM Practices and Employee Satisfaction</td>
<td>162</td>
</tr>
<tr>
<td>Table 4.17</td>
<td>Regression Results of the Relationship Between: HRM Practices and Employee Relation</td>
<td>164</td>
</tr>
<tr>
<td>Table 4.18</td>
<td>Regression Results of the Relationship Between: HRM Practices and employee retention</td>
<td>166</td>
</tr>
<tr>
<td>Table 4.19</td>
<td>Regression Results of the Relationship Between: HRM Practices and Employee Attractiveness</td>
<td>168</td>
</tr>
<tr>
<td>Table 4.20</td>
<td>Summary of Group Hypothesis Testing</td>
<td>170</td>
</tr>
</tbody>
</table>
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 1.1</td>
<td>Average Income for the Period (2004-2013) of Individuals Based on Total Population and Gross National Income</td>
<td>10</td>
</tr>
<tr>
<td>Figure 2.1</td>
<td>The Conceptual Framework on the Link Between HRM Practice and HR Outcomes</td>
<td>85</td>
</tr>
<tr>
<td>Figure 3.1</td>
<td>Research Design of the Study</td>
<td>117</td>
</tr>
<tr>
<td>Figure 4.1</td>
<td>The Histogram Plot</td>
<td>126</td>
</tr>
<tr>
<td>Figure 4.2</td>
<td>Test of Linearity</td>
<td>129</td>
</tr>
<tr>
<td>Figure 4.3</td>
<td>The Scatter Plot Between Standardized Predicted Value of the Independent Variable and the Standardized Residuals of Overall HR Outcomes</td>
<td>129</td>
</tr>
<tr>
<td>Figure 4.4</td>
<td>The Conceptual Framework</td>
<td>149</td>
</tr>
<tr>
<td>Figure 4.5</td>
<td>Mediation Model</td>
<td>160</td>
</tr>
</tbody>
</table>
# LIST OF APPENDICES

<table>
<thead>
<tr>
<th>APPENDIX A:</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research questionnaire</td>
<td>236</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPENDIX B:</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency analyses</td>
<td>259</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPENDIX B1:</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent profile</td>
<td>260</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPENDIX B2:</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor analysis for human resources management</td>
<td>267</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPENDIX B3:</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor analysis for organization climate</td>
<td>277</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPENDIX B4:</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor analysis HR outcomes</td>
<td>283</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPENDIX B5:</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability of human resources management</td>
<td>399</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPENDIX B6:</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Descriptive and correlations</td>
<td>314</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPENDIX B7:</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression for hypothesis H1</td>
<td>318</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPENDIX B8:</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression for hypothesis H2</td>
<td>330</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPENDIX B9:</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression for hypothesis H3</td>
<td>333</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>APPENDIX B10:</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression for hypothesis H4</td>
<td>346</td>
</tr>
</tbody>
</table>
# LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRM</td>
<td>Human Resources Management</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>HRD</td>
<td>Human Resources Development</td>
</tr>
<tr>
<td>T&amp;D</td>
<td>Training and Development</td>
</tr>
<tr>
<td>HRP</td>
<td>Human Resource Planning</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organization</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
</tr>
<tr>
<td>LD</td>
<td>Conversion Rates</td>
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<tr>
<td>CIA</td>
<td>The Central Intelligence Agency</td>
</tr>
<tr>
<td>MIC</td>
<td>Ministry of Inspection and Control Libya</td>
</tr>
<tr>
<td>NYS</td>
<td>New York State (Department of Civil Service Report)</td>
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<tr>
<td>P&amp;G</td>
<td>Porter and Gamble</td>
</tr>
<tr>
<td>SKA</td>
<td>Skills, Knowledge and Abilities</td>
</tr>
<tr>
<td>KMO</td>
<td>Kaiser-meyer-mer-Olkin</td>
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<tr>
<td>EFA</td>
<td>Exploratory Factor Analysis</td>
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</table>
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Libya had a population of approximately six million inhabitants in 2012 (Bureau of Statistics & Census of Libya, 2012; CIA, 2013). Generally, Libya is a socialist-oriented economy, depending principally upon revenues accruing from the key oil sector, which drives the economy and made prosperous through its contributions to export earnings and the Gross Domestic Product (GDP) (Almhdie & Nyambegera, 2004). Human resource (HR) activities have been commonly used to observe organizational performance and the organizations come in all shapes and sizes which often exhibit more differences than similarities.

However, one common factor to all organizations is that success is highly dependent on the skills, knowledge and experience of their employees (Development & Learning Organizations, 2011). There is no doubt that the distinctive feature of the human resource management (HRM) practices such as recruitment and selection, performance appraisal, training and development (T&D), compensation and rewards and human resource planning (HRP) could be achieved through the people in the organization (Guest, 1997).

In recent years, significant inroads have been made in identifying the HRM practices- HR outcomes relationship. It should however be pointed out, that a few studies like Guest (1997), Gelade and Ivery (2003), Purcell, Kinnie, Hutchinson, Rayton and Swart (2003), Wright and Nishii (2006) and Katou (2008), have documented the link or special relationship between HR practices and organizational
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